

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 3549 - SB 3410**

February 11, 2010

**SUMMARY OF BILL:** Creates a \$2.5 million cap on the pre-need funeral account. Establishes an indigent fund for all monies received by the Commissioner of Commerce and Insurance in excess of the \$2.5 million. Requires the indigent fund to reimburse funeral homes, that file a request for reimbursement, the costs of providing funeral services to those who are indigent.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue - \$153,200/Burial Services and Pre-Need Program**  
**Increase State Expenditures - \$12,900/One-Time/Burial Services and Pre-Need Program**  
**\$140,300/Recurring/Burial Services and Pre-Need Program**

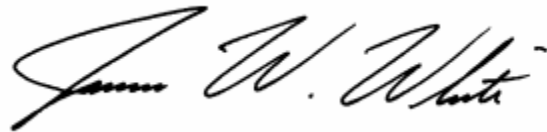
**Assumptions:**

- According to the Department of Commerce and Insurance, two additional staff would be necessary to handle the increase in disputes of claimants. A one-time increase in state expenditures is estimated at \$6,900 which includes office landscaping (\$4,000) and computer costs (\$2,900). The recurring increase to state expenditures for the new staff is estimated to be \$140,300 which includes salaries and benefits (\$107,800), administrative costs (\$22,400), and telecommunications and office supplies (\$10,100).
- There will be an additional one-time increase in state expenditures estimated to be \$6,000 which includes a rule-making hearing (\$5,000) and printing and distribution of new forms to all licensees (\$1,000).

- Pursuant to Tenn. Code Ann. § 4-3-1011, all regulatory programs are required to be self-supporting over a two-year period. As of June 30, 2009, the Program had a negative balance of \$1,434,001.78. According to the Department of Commerce and Insurance, fees will be increased to cover expenditures which will result in an increase in state revenue of \$153,200.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

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